

**LEGISLATIVE SERVICES AGENCY  
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House  
(317) 232-9855

**FISCAL IMPACT STATEMENT**

**LS 6952**

**BILL NUMBER:** HB 1546

**DATE PREPARED:** Dec 18, 1998

**BILL AMENDED:**

**SUBJECT:** Wine excise tax distribution formula.

**FISCAL ANALYST:** Kristin Breen

**PHONE NUMBER:** 232-9567

**FUNDS AFFECTED:** ☒ **GENERAL**  
☒ **DEDICATED**  
☐ **FEDERAL**

**IMPACT:** State

**Summary of Legislation:** This bill changes the distribution of revenue from the wine excise tax so that the state General Fund share is reduced by two cents and the Wine Grape Market Development Fund is increased by two cents.

**Effective Date:** July 1, 1999.

**Explanation of State Expenditures:**

**Explanation of State Revenues:** This bill changes the amount of wine excise tax revenue distributed to the state General Fund and the Wine Grape Market Development Fund starting in FY 2000. Table 1 shows the current and proposed distribution of the wine excise tax.

**Table 1. Current and Proposed Distribution of Wine Excise Tax:**

	<b>Current</b>	<b>Proposed</b>	<b>Difference</b>
State General Fund	\$0.20	\$0.18	(\$0.02)
Post War Construction Fund	\$0.16	\$0.16	
Wine Grape Market Development Fund	\$0.05	\$0.07	\$0.02
Enforcement & Administration Fund	\$0.04	\$0.04	
Addiction Services Fund	\$0.02	\$0.02	
<b>Total</b>	<b>\$0.47</b>	<b>\$0.47</b>	<b>\$0.00</b>

Between FY 94 and FY 98, an average of approximately \$3.3 million in wine excise tax revenue was generated each year. Based on the average wine excise tax revenue, it is estimated that there would an increase in revenue to the Wine Grape Market Development Fund of approximately \$150,000 and a reduction in revenue to the state General Fund by the same amount each year. Table 2 shows the current and proposed

distribution of wine excise tax revenue.

**Table 2. Current and Proposed Distribution of Annual Wine Excise Tax Revenue (in millions):**

	<b>Current</b>	<b>Proposed</b>	<b>Difference</b>
State General Fund	\$1.40	\$1.25	(\$0.15)
Post War Construction Fund	1.10	1.10	
Wine Grape Market Development Fund	0.35	0.50	0.15
Enforcement & Administration Fund	0.30	0.30	
Addiction Services Fund	0.15	0.15	
<b>Total</b>	<b>\$3.30</b>	<b>\$3.30</b>	<b>\$0.00</b>

**Explanation of Local Expenditures:**

**Explanation of Local Revenues:**

**State Agencies Affected:** Department of Revenue.

**Local Agencies Affected:**

**Information Sources:** Department of Revenue.